

PART 7

CLASSIFICATION AND DEFINITION OF OBJECT ACCOUNTS

CLASSIFICATION OF OBJECT ACCOUNTS

For the purposes of the manual and the prescribed accounting system for Indiana's public schools, the Object Accounts are separated into seven categories dependent upon their function or general purpose. These categories are (100) Salaries; (200) Employee Benefits; (300) Purchased Services; (400) Supplies and Materials; (500) Capital Outlay; (600) Other Objects; and (700) Transfers. They are identified by numerical designations related as closely as possible to those used in Handbook II, Revised. Some classifications, as presented in Handbook II, Revised, have been tailored to meet the special needs of Indiana, with respect to Indiana laws and state reporting requirements.

DEFINITION OF OBJECT ACCOUNTS

The objects are defined within each classification or program by the specific purpose which they serve. These are identified by account titles basically comparable to those in Handbook II, Revised 1973, excepting those instances where greater detail is required because of Indiana laws or state reporting requirements.

ACCOUNTING FOR OBJECTS

It is necessary to identify each transaction with the object category concerned. The following part identifies and describes each of the object classifications which you will be asked to summarize for reporting to the Division of School Finance on its report form. It is to assist each school corporation in fulfilling the need that Part 7 is included in the manual.

OBJECTS

OBJECT means the service or commodity obtained as the result of a specific expenditure. Seven major Object categories are identified and described in the manual: (100) Salaries, (200) Employee Benefits, (300) Purchased Services, (400) Supplies and Materials, (500) Capital Outlay, (600) Other Objects, and (700) Transfers. These broad categories are subdivided to obtain more detailed information about objects of expenditures. Following are definitions of the major categories and subcategories.

- 100 Salaries. Amounts paid to employees of the school corporation who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions.
- 110 Certified Salaries. Amounts paid to employees who are required to be certified by the Professional Standards Board in order to engage in a contractual agreement with the school corporation. Administrative staff and instructional staff salaries are recorded here.
- 115 Board Members. Compensation paid to persons for serving as members of the governing body; does not include expenses or fringe benefits.
- 120 Noncertified Salaries. Amounts paid to employees of the school corporation who are classified as noncertified. These employees are not required to be certified as teachers by the Indiana Department of Education. Included there are the salaries of custodians, maintenance personnel, mechanics, bus drivers, secretaries, clerks, teacher aides, aides to librarian, etc.

- 130 Temporary Salaries. Full-time, part-time, and prorated portions of the costs for work performed by employees of the school corporation who are hired on a temporary or substitute basis to perform work in positions of either temporary or permanent nature. Substitute teachers are accounted for here. Certified and non-certified temporary salaries are classified here. Teachers on temporary contracts are recorded in Certified Salaries (110). Temporary Salaries will not be required for separate state reporting.
- 135 Licensed Employees.
- 136 Nonlicensed Employees.
- 140 Overtime Salaries. Money paid to employees of the school corporation in positions of either a temporary or permanent nature for work performed in addition to the normal work period for which the employee is compensated under non-certified and temporary salaries above. The terms of such payment for overtime is a matter of local regulation and interpretation. Overtime salaries will not be required for separate state reporting.
- 200 Employee Benefits. Amounts paid by the school corporation on behalf of employees: these amounts are not included in the gross salary, but are over and above. Such payments are fringe benefit payments, and, while not paid directly to employees, nevertheless are part of the cost of salaries benefits. Examples are: (a) Group Health or Life, (b) Contributions to Employee Retirement, (c) Social Security, (d) Workmen's Compensation, and (e) employment security contributions.
- 210 Employee Retirement. Contributions by the school to state and federal retirement programs. Included here are Social Security and Public Employees' Retirement Fund.
- 211 Social Security. Contributions by the school corporation for noncertified employees.
- 212 Social Security. Contributions by the school corporation for certified employees.
- 213 Severance/Early Retirement Pay. Contributions made by school corporations for these programs.
- 214 Public Employees Retirement Fund. Contributions by the school corporation for noncertified employees.
- 215 Teacher Retirement Fund, Prior to 7-1-95. Contributions by the school corporation for certified employees employed prior to 7-1-95.
- 216 Teacher Retirement Fund, After 7-1-95. Contributions made by the school corporation for certified employees employed after 7-1-95.
- 217 Public Employees Retirement Fund - Optional contributions.
- 218 Teacher Retirement Fund - Optional contributions.
- 220 Employee Insurance. Group life, health and accident insurance for employees. Also workmen's compensation insurance.
- 230 Unemployment Compensation. Contributions by the school corporation for unemployment compensation.
- 235 Meals Provided. Payment by the school corporation in accordance with "The School Administrator" Volume 117, March 1992.
- 240 to 290 Other Employee Benefits. Employee benefits which have not been classified above.

- 300 Purchased Services. Amounts paid for personal services rendered by personnel who are not on the payroll of the corporation, and other services which the school corporation may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 310 Professional and Technical Services. Services which can be performed only by persons with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc.
- 311 Instruction Services. Nonpayroll services performed by qualified persons directly engaged in providing learning experiences for pupils. Included are the services of interns engaged in teaching activities.
- 312 Instructional Programs Improvement Services. Services performed by persons qualified to assist teachers and supervisors enhance the quality of the teaching process. The category includes curriculum consultants, inservice training specialists, etc., not on the payroll.
- 313 Pupil Services. Nonpayroll services of qualified personnel to assist pupils and their parents in solving mental and physical problems to supplement the teaching process.
- 314 Staff Services. Services performed by qualified personnel to assist management either in the broad policy area or in the general operation of the school corporation. The category includes consultants, individually or as a team, to assist the chief executive in conference or through systematic studies.
- 316 Data Processing Services. Services performed by persons, organizations, or another agency qualified to process data. The category includes those data processing services purchased from another agency or concern or specialists who are contracted to perform a specific task on a short term basis.
- 317 Statistical Services. Nonpayroll services performed by persons or an organization qualified to assist in handling statistics. The category includes special services for analysis, tabulations, or similar work.
- 318 Board of Education Services. Services performed by qualified persons to assist the governing body of the school corporation in its particular activities. The category includes the specialized services of legal counsel, counseling the governing body in employing a chief executive officer, counsel on tax policy, etc.
- 319 Other Professional and Technical Services. Services which are professional and technical in nature which have not been classified above.
- 320 Property Services. Services purchased to operate, repair, maintain, insure, and rent property owned and/or used by the school corporation. These services are performed by persons other than school corporation employees.
- 322 Cleaning Services. Services purchased to clean buildings other than those provided by school corporation employees.
- 323 Repairs and Maintenance Services. Expenditures for repairs and maintenance services not provided directly by school corporation personnel. The category includes contracts and agreements covering the upkeep of grounds, buildings, and equipment. Costs for new construction, renovating and remodeling are not included here, but are considered under Capital Outlay (500 Object Area).

- 324 Insurance. Expenditures for all insurance on any type property owned or leased by the school corporation, liability insurance, and transportation insurance. Workmen's compensation is considered in Employee Benefits (220 - Employee Insurance).
- 325 Rentals. Expenditures for leasing or renting land, buildings, uniforms, and equipment for both temporary and long range use of the school corporation. The category includes vehicle rental when operated by school corporation personnel, lease on data processing equipment, lease-purchase arrangements, and similar rental agreements. Costs for single agreements covering equipment as well as operators are not included here, but are considered elsewhere under Purchased Services [see Transportation (330), Printing and Binding (360), Public Utility Services (380), Servicing and Maintenance Services (323)].
- 326 to 329 Other Property Services. Property Services purchased which are not classified above.
- 330 Transportation Services. Expenditures for transporting children to and from school and official travel of school corporation employees.
- 331 Pupil Transportation. Expenditures to persons or contract agencies for the purpose of transporting children to and from school. These include those expenditures to individual or contractors who transport children or to employees or parents who transport children by way of a contract.
- 332 Travel. Costs for transportation, meals, hotel, and other expenses associated with reimbursement for traveling on business for the school corporation.
- 333 to 339 Other Transportation Services. Transportation services other than those classified above.
- 340 Communication. Services provided by persons or businesses to assist in transmitting and receiving messages or information. The category includes telephone and telegraph services as well as postage machine rental and postage.
- 341 Telephone. All expenditures of the school corporation for telephone and telegraph services, including rental of telephone equipment, for all purposes except school-to-home telephone for home bound instruction.
- 343 Postage and Postage Machine Rental. Expenditures related to postage and postage machine rental.
- 344 to 349 Other Communication Services. Expenditures for Communication services other than those classified above.
- 350 Advertising. Expenditures for printed legal notices in papers. These expenditures include advertising for such purposes as tax levies, bond sales, used equipment sales, and other objects. Costs for professional fees for advertising are not recorded here but are charged to Professional Services (310 Object Area).
- 360 Printing and Binding. Expenditures for job printing and binding usually according to specifications of the school corporation. The category includes the design and printing of forms and posters as well as printing and binding of school corporation publications. Preprinted standard forms are not charged here, but are recorded under Supplies and Materials (400 Object Area).

- 370 Transfer Tuition. Expenditures to reimburse other educational agencies for services rendered to students residing in the legal boundaries described for the paying school corporation.
- 380 Public or Private Utility Services. Expenditures for services usually provided by public utilities such as water, sewage, electricity, gas, and garbage collection. The category includes those same services whether the utility company is public or private. Costs for telephone and telegraph are not included here, but are included in Communication (340 Object Area).
- 381 Heating and Cooling for Buildings - Electricity. Electricity used in heating and cooling all school corporation owned buildings.
- 382 Heating and Cooling for Buildings - Gas. Gas used in heating and cooling all school corporation owned building.
- 383 Heating and Cooling for Buildings - Fuel Oil. Fuel oil used in heating and cooling all school corporation owned buildings.
- 384 Heating and Cooling for Buildings - Other Energy Sources. All other energy sources used in heating and cooling all school corporation owned buildings.
- 385 Water and Sewage. Charges for water used in all buildings and on all grounds; also all charges for sewage disposal.
- 386 Light and Power - Other Than Heating and Cooling. Expenditures for electric current for all purposes used in school system, except for heating.
- 387 Gas - Other Than Heating and Cooling. Expenditures for gas for use for all purposes except for heating or cooling buildings.
- 388 Removal of Refuse and Garbage. Expenditures for removing ashes, trash, garbage, etc.
- 389 Other Public or Private Utility Services. Expenditures for public or private utility services not classified above.
- 390 Other Purchased Services. Expenditures for all other purchased services not classified above. Included here are physical examinations for employees and immunization programs for students, T.B. tests, etc.
- 400 Supplies and Materials. Amounts paid for material items of expendable nature that are consumed, worn out, or deteriorated by use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- 410 Supplies.
- 411 Operational Supplies. Expenditures for all supplies for the operation of a school corporation, including freight. Types of supplies included here are office, instructional, custodial, maintenance, etc.
- 412 Tires and Repairs. Charges for repairs and replacements of tires and tubes.
- 413 Gas and Lubricants. Cost of gasoline, oil, grease and gear lubricants.
- 414 Food Purchases. Cost of food.
- 415 Other Supplies. Expenditures for Supplies not classified above.

- 420 Textbooks. Expenditures for adopted textbooks which are purchased for pupils or groups of pupils, and resold or furnished free to them. The category includes the cost of workbooks, textbook binding or repairs, as well as the net amount of textbooks which are purchased to be resold or rented.
- 430 Library Books. Expenditures for regular or incidental purchases of library books available for general use of students including any reference books, even though such reference books may be used solely in the classroom. Also recorded here are costs of binding or other repairs to school library books. The initial purchase of books for a new school library or any material accessions involving an expansion of the library are recorded under Capital Outlay (560 Object Area).
- 440 Periodicals. Expenditures for periodicals and newspapers. A periodical is any publication appearing at regular intervals of less than a year and continuing for an indefinite period.
- 450 to 490 Other Supplies and Materials. Expenditures for all other supplies and materials not included above.
- 500 Capital Outlay. Expenditures for the acquisition of fixed assets or additions to fixed assets. They are expenditures for land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.
- 510 Land. Expenditures for the purchase of land.
- 515 Easements. Expenditures in procuring easement rights.
- 520 Buildings. Expenditures for acquiring buildings and additions, either existing or to be constructed. Included are expenditures for installment or lease payments (except interest) which have a terminal date and result in the acquisition of buildings, except payments to public school housing authorities or similar agencies. Expenditures for major permanent structural alterations and the initial or additional installation of heating and ventilating systems, electrical systems, plumbing systems, fire protection systems and other service systems in existing buildings are included also.
- 530 Improvements Other Than Buildings. Expenditures for the initial and additional improvement of sites and adjacent ways after acquisition by the school corporation consisting of such work as grading, landscaping, seeding, and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains, installing hydrants; initial surfacing and soil treatment of playgrounds and tennis courts; furnishing and installing for the first time, fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks which are not parts of building service systems; and demolition work. Special assessments against the school corporation for capital improvements such as streets, curbs and drains are also recorded here.
- 540 Equipment. Expenditures for the initial, additional, and replacement items of equipment, such as furniture and machinery.
- 550 Vehicles. Expenditures for the purchase of conveyances to transport persons or objects.
- 560 Library Books. Expenditures for books which constitute the initial furnishing of a newly constructed building. These include books outside the library if they are capitalized and any appreciable accession involving an expansion of the library.
- 570 to 590 Other Capital Outlay. Expenditures for all other Capital Outlay not classified above.
- 600 Other Objects. Amounts paid for goods and services not otherwise classified above. This includes expenditures for the retirement of debt, the payment of interest on debt, the payment of dues and fees, purchase of investments, payments of service charges, and allowable amounts paid for band uniforms.

- 610 Investments. Expenditures for purchase of investments.
- 620 Service Charges. Expenditures for amounts paid as service charges where provided by law.
 - 621 Bank Service Charges.
 - 622 Late Payments. On contracts, etc., where permitted by law.
- 630 Seldom or Non-Recurring Purchases. Expenditures for items purchased not qualified to be included as capital outlay.
 - 631 Band Uniforms.
- 640 Dues and Fees. Expenditures or assessments for membership in professional or other organizations or associations or payments to a paying agent for services rendered.
 - 645 Awards. Expenditures for all types of authorized awards.
- 650 Bonds and Judgments. Expenditures for official bond premiums, etc., to protect the school corporation, board members, employees, and taxpayers against loss due to error, neglect, certain court judgments and other similar causes.
 - 652 Official Bond Premiums. Expenditures for bonds guaranteeing the school corporation against losses resulting from the actions of the treasurer, employees, or other persons of the school corporation.
 - 653 Judgments Against the School Corporation. Expenditures from current funds for all judgments (except as indicated) against the school corporation that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the school corporation resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due.
 - 654 Other Bonds and Judgments. Payments for bonds and judgments not classified elsewhere.
- 660 Debt Retirement. Expenditures which are from current funds to retire serial bonds, emergency loans and temporary loans. Also expenditures from current funds for interest on serial bonds, lease with option to buy, emergency loans and temporary loans.
- 670 to 680 Miscellaneous Objects. Amounts paid from all other expenses not classified above.
- 690 Technology. Expenditures for all funds for any technology related expenses. These objects are required for compliance with IC 21-2-18-4.
 - 691 Computer Hardware. Expenditures for both administrative and instructional uses. Computer hardware includes Central Processing Units (CPUs) and other digital equipment (excluding peripherals and telecommunications equipment) that may be necessary to operate a school. Monitors and network cards are included. Items that attach to the network for the primary purpose of accessing or using the CPUs such as network workstations would also be included here (dumb terminals, personal computers, etc.)

- 692 Distance Learning Equipment. Expenditures for contracts for services that relate to the operation of distance learning equipment. Included may be expenses directly related to distance learning including specialized equipment necessary to participate in distance learning programs. Service contracts such as "Vision Athena", "Classroom Content", and the "Indiana ONLine Academy" would be included.

- 693 Wireless Equipment. Expenditures for all wireless equipment that may be used for Local Area Network (LANs), Wide Area Network (WANs) and other uses, including room systems. Wireless equipment may include towers, broadcast equipment (airwave), and any other equipment that is used in either sending or receiving a wireless signal.

- 694 Connectivity. Expenditures for initial installation and ongoing costs of all circuits used to connect buildings and classrooms within a school corporation. Included also is Internet, and any connection, except for wireless, that serves to connect the LAN/WAN. Ongoing as well as one time costs are included. Cabling to classrooms, between buildings, and ongoing costs (non-personnel) to provide support are included there.

- 695 Telecommunications Equipment. Expenditures for telecommunications equipment, including routers, hubs, switches, main distribution facilities and intermediate distribution facilities are included here. Included also is equipment needed for voice communications that may be leased or purchased by the local school corporation.

- 696 Other Technology Hardware. Expenditures for other technology hardware. Peripherals such as printers, scanners, web cameras, etc. are included. Expenditures for Personal Digital Assistants (PDAs) and other digital equipment are included here also.

- 697 Content. Content can be described as any software, application systems, or productivity applications that are needed in the operation of a school, including classroom management software, instructional management systems, administrative systems, and other purchase or license/fee related costs. Excluded are video and distance learning contracts and service agreements.

- 698 Professional Development. Training expenditures for technology related development of teachers, administrators and other staff.

- 700 Transfers. This object category does not represent a purchase; rather, it is used as an accounting entity to show that funds have been handled without having goods and services rendered in return. Included here are transactions for interchanging money from one fund to the other and for transmitting flow-through funds to the recipient (person or agency).